

**JSC "KLAIPEDOS BALDAI"  
INTERMEDIATE FINANCIAL REPORTING  
MARCH 31, 2008**

Joint-stock company „Klaipėdos baldai“

For the Stocks committee of the Republic of Lithuania,

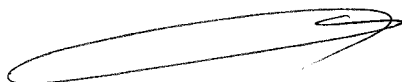
Konstitucijos pr. 23,

LT-08105 Vilnius

### THE CONFIRMATION BY THE RESPONSIBLE INDIVIDUALS

Following the 22nd article of the Lithuania's Republic's stocks law and also following the Laws of the periodic and fill-in information arrangements and presentations, I, Joint-stock Company's „Klaipėdos baldai“ director, Ramūnas Marozas, confirm that to my knowledge, there is an attached financial accountability 31 March 2008 of the joint-stock company's „Klaipėdos baldai“ which is not verified by auditors, made accordingly to the international financial accountability standards initiated by the European Union, coincide with the reality and fairly indicate the company's wealth, obligations, financial state, profit or detriment.

Director



Ramūnas Marozas

**JSC "KLAIPEDOS BALDAI"**  
Company code: 140656052, Joniskes St., 21, Klaipeda

**PROFIT (LOSS) REPORT**  
**March 31, 2008**

Prepared in accordance with TFAS

(in thousands litas)

#	Accounts		January-March 2008	January-March 2007
<b>I.</b>	<b>SALE INCOME</b>		<b>43 058</b>	<b>36 168</b>
<b>II.</b>	<b>SALE PRIME COSTS</b>		<b>(41 662)</b>	<b>(34 762)</b>
<b>III.</b>	<b>TOTAL PROFIT (LOSS)</b>		<b>1 396</b>	<b>1 406</b>
<b>IV.</b>	<b>ACTIVITY EXPENSES</b>		<b>(940)</b>	<b>(892)</b>
IV.1.	Sale		-	(5)
IV.2.	General and administrative		(940)	(887)
<b>V.</b>	<b>PROFIT (LOSS) OF TYPICAL ACTIVITY</b>		<b>456</b>	<b>514</b>
<b>VI.</b>	<b>OTHER ACTIVITY</b>		<b>205</b>	<b>73</b>
VI.1.	Income		423	300
VI.2.	Expenditures		(218)	(227)
<b>VII.</b>	<b>FINANCIAL AND INVESTMENT ACTIVITY</b>		<b>(317)</b>	<b>(305)</b>
VII.1.	Income		97	79
VII.2.	Expenditures		(414)	(384)
<b>VIII.</b>	<b>INCOME OF (LOSS) ORDINARY ACTIVITY</b>		<b>344</b>	<b>282</b>
IX.	WINDFALL PROFITS		-	-
X.	LOSSES		-	-
<b>XIII.</b>	<b>PROFIT (LOSS) BEFORE TAXES</b>		<b>344</b>	<b>282</b>
<b>XIV.</b>	<b>PROFIT TAX</b>		<b>(52)</b>	
<b>XV.</b>	<b>NET PROFIT (LOSS)</b>		<b>292</b>	<b>282</b>

Director



Ramūnas Marozas

**JSC “KLAIPEDOS BALDAI”**  
 Company code: 140656052, Joniskes St., 21, Klaipeda  
**BALANCE**  
**March 31, 2008**

(Thousands litas)

#	Accounts	2008-03-31	2007-12-31
<b>A.</b>	<b>LONG-TERM ASSETS</b>	<b>52 556</b>	<b>51 840</b>
I.	INTANGIBLE ASSETS	80	161
I.1.	Patents, licenses	7	26
I.2.	Programming equipment	73	135
I.3.	Other intangible assets	-	-
II.	TANGIBLE ASSETS	50 119	49 248
II.1.	Land	-	-
II.2.	Buildings and constructions	23 958	24 493
II.3.	Machinery and equipment	17 687	16 290
II.4.	Transportation means	218	235
II.5.	Other equipment, devices, instruments and units	101	44
II.6.	Construction in progress	28	-
II.7.	Other tangible assets	-	59
II.8.	Investment property	8 127	8 127
II.8.1.	Buildings	8 127	8 127
	FINANCIAL ASSETS	2 357	2 431
III.1.	Investments in affiliate and associated companies	22	22
III.2.	Credits to associated and affiliate companies	-	-
III.3.	Accounts receivable in one year	2 047	2 121
III.4.	Other financial assets	288	288
<b>B.</b>	<b>SHORT-TERM ASSETS</b>	<b>45 108</b>	<b>42 753</b>
I.	STOCK, ADVANCE PAYMENTS AND CONTRACTS IN PROGRESS	12 989	13 472
I.1.	Stock	12 819	13 195
I.1.1.	Raw materials and component parts	5 918	6 360
I.1.2.	Production in process	2 408	2 693
I.1.3.	Produced products	4 493	4 142
I.2.	Advance payments	170	277
I.3.	Contracts in process	-	-
II.	ACCOUNTS RECEIVABLE WITHIN ONE YEAR	32 072	29 232
II.1.	Buyers' debts	27 747	24 945
II.2.	Debts of affiliate and associated companies	-	-
II.3.	Other accounts receivable	4 325	4 287
III.	OTHER SHORT-TERM ASSETS	-	-
III.1.	Short-term investments	-	-
III.2.	Time deposits	-	-
III.3.	Other short-term assets	-	-
IV.	MONEY AND MONEY EQUIVALENTS	47	49
	<b>TOTAL ASSETS:</b>	<b>97 664</b>	<b>94 593</b>

**BALANCE (continued)**  
**March 31, 2008**

#	Accounts		2008-03-31	2007-12-31
<b>C.</b>	<b>EQUITY CAPITAL</b>		<b>59 872</b>	<b>59 580</b>
I.	CAPITAL		8 166	8 166
I.1.	Statutory (subscribed)		8 166	8 166
II.	REEVALUATION RESERVE (RESULTS)		11 487	11 789
III.	RESERVES		8 515	8 515
III.1.	Obligatory		817	817
III.3.	Other reserves		7 698	7 698
IV.	UNDISTRIBUTED PROFITS (LOSS)		31 704	31 110
IV.1.	Profit (loss) of the reporting year		292	3 016
IV.2.	Profit (loss) of the previous year		31 412	28 094
D.	DOTATIONS, SUBSIDIES		-	-
<b>E.</b>	<b>ACCOUNTS PAYABLE AND LIABILITIES</b>		<b>37 792</b>	<b>35 013</b>
I.	ACCOUNTS PAYABLE IN ONE YEAR AND LONG-TERM LIABILITIES		10 351	9 633
I.1.	Financial debts		7 573	6 855
I.1.1.	Leasing (financial rent) and similar liabilities		4 003	2 715
I.1.2.	To credit institutions		3 570	4 140
I.1.3.	Other financial debts		-	-
I.2.	Debts to providers		-	-
I.3.	Received advanced payments		-	-
I.4.	Provisions		-	-
I.4.1.	To cover liabilities and demands		-	-
I.4.2.	Other provisions		-	-
I.5.	Deferred taxes		2 778	2 778
I.6.	Other accounts payable and long-term liabilities		-	-
II.	ACCOUNTS PAYABLE WITHIN ONE YEAR AND SHORT-TERM LIABILITIES		27 441	25 380
II.1.	The current year part of long-term debts		3 817	3 564
II.2.	Financial debts		16 821	16 654
II.2.1.	To credit institutions		16 821	16 654
II.2.2.	Other debts		-	-
II.3.	Debts to providers		2 682	1 611
II.4.	Received advanced payments		-	-
II.5.	Profit tax liabilities		-	-
II.6.	Liabilities connected with labor relations		1 372	1 445
II.7.	Provisions		-	-
II.8.	Other accounts payable and short-term liabilities		2 749	2 106
	<b>TOTAL EQUITY CAPITAL AND LIABILITIES</b>		<b>97 664</b>	<b>94 593</b>

Director



Ramūnas Marozas

**JSC "KLAIPEDOS BALDAI"**  
**FINANCIAL REPORTING**  
 March 31, 2008

(All the sums in the table are shown in thousands litas, unless specified otherwise)

**Report on changes of equity capital**

March 31, 2008

	(Thousands litas)					
	Share capital	Reevaluation reserve	Reserves set forth by law	Other reserves	Undistributed profit	Total
<b>Balance as of January 1, 2007</b>	8 166	12 688	817	7 698	27 014	56 363
Used reserves	-	(303)	-	-	303	-
Net profit	-	-	-	-	282	282
<b>Balance as of March 31, 2007</b>	8 166	12 365	817	-	27 598	56 644
The year finished on December 31, 2007						
Balance as of January 1, 2007	8 166	12 688	817	-	27 014	56 363
Used reserves	-	(1 080)	-	-	1 080	-
Depreciation transfer-tax	-	201	-	-	-	201
Recognition of deferred profit tax liabilities	-	-	-	-	-	)
Net profit	-	-	-	-	3 016	3 016
<b>Balance as of December 31, 2007</b>	8 166	11 789	817	7 698	31 110	59 580
Used reserves	-	(302)	-	-	302	-
Net profit (loss)	-	-	-	-	292	292
<b>Balance as of March 31, 2008</b>	8 166	11 487	817	-	31 704	59 872

Director



Ramūnas Marozas

**JSC "KLAIPEDOS BALDAI"**  
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 March 31, 2008

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Cash flows report

Cash flows in thousands LTL	March 31, 2008	March 31, 2007
Cash flows from ordinary activity		
Net result	292	282
Corrections adjusting net profit with cash flows from ordinary activity	-	-
Corrections	-	-
Wear and amortization	1 723	1 810
Value decrease	-	-
Written-off sums	-	-
Elimination of profit (loss) from sale of long-term assets	-	(2)
Elimination of results of connected companies and minority part	-	-
	2 015	2 090
Changes of short-term assets and short-term liabilities	-	-
Decrease (increase) of buyers' debts	(2 802)	(3 691)
Decrease (increase) of other accounts receivable within one year	(35)	6
Decrease (increase) of stock	375	483
Decrease (increase) of advance payments	127	(17)
Decrease (increase) of accumulated income and expenditures of future periods	(21)	161
Increase (decrease) of short-term debts to providers	1 072	(80)
Increase (decrease) of provisions and deferred taxes		-
Increase (decrease) of accumulated expenditures and income of future periods	168	140
Sums received in advance under signed contracts	-	(17)
Taxes, salaries and social insurance	401	201
Increase (decrease) of other payable sums and short-term liabilities	(1)	(3)
Net cash flows from ordinary activity	1 300	(727)
Acquisition of long-term assets by net value	-	-
Changes of share capital	2 446	(424)
Acquisition (sale) of long-term financial assets	-	-
Net cash flows (used) for investment activity	(2 446)	(424)
Changes of long-term financial debts	-	-
Changes of other accounts payable and long-term liabilities	977	(10 616)
Changes of accounts receivable in one year	-	(246)
Changes of short-term financial debts	-	620
Changes of investments and time deposits	167	11599
Changes of investments and time deposits	-	-
Net cash flows (used) for financial activity	1 144	736
Increase (decrease) of money and its equivalents	-	-
	(2)	(415)
Money and its equivalents in the beginning of the period	49	-
Money and its equivalents in the end of the period	47	442
		-
		27

Director



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March 31, 2008**

(All the sums in the tables are shown in thousands litas, unless specified otherwise)

**Long-term tangible  
assets**

	Buildings	Vehicles	Machinery and equipment, equipment of computers and organiz.	Finance lease	Other tangible assets	Constructi on in progress and prepaymen ts	Total
<b>a) Acquisition value at the end of previous financial years</b>	28.051	1.004	31.164	11.891	520		72.630
<b>a) Changes of current year</b>			117	2.300	55	28	2.500
.Acquisitions of asset			117	2.300	55	28	2.500
.Assigned and unused asset(-)							
.Transcriptions from one article to another +/-(-)							
<b>a) Acquisition value at the end of current year</b>	28.051	1.004	31.281	14.191	575	28	75.130
<b>b) Reappraisal at the end of previous financial years</b>	17.016						17.016
<b>b) Changes of current year</b>							
.of increase of value							
.of assigned asset to the third parties (-)							
.of write-offs (-)							
.Transcriptions from one article to another +/-(-)							
<b>b) Reappraisal at the end of current year</b>	17.016						17.016
<b>c) Written-off sums and depreciation (-)</b>	12.447	845	22.408	4.231	467		40.398
c) Written-off sums and depreciation (-) (Deprec.)	12.420	845	22.408	4.231	467		40.371
c) Written-off sums and depreciation (-) (Reduction of value)	27						27
<b>c) Changes of current year</b>	535	10	606	470	8		1.629
.Increases	535	10	606	470	8		1.629
.Restored records (-)							
.of assigned asset to the third parties (-)							
.of write-offs (-)							
.Transcriptions from one article to another +/-(-)							
.Moratoriums for asset, which is used little+/-(-)							
<b>c) Written-off sums and depreciation (-)</b>	12.982	855	23.015	4.701	475		42.028
<b>d) Net book amount</b>	32.085	149	8.266	9.490	101	28	50.119
<i>Among them:</i>							
<i>Transport equipment</i>				69			
<i>Investment property</i>	8 127			9 421			



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**Long-term intangible assets**

	Computer software and other intangible assets
a) ACQUISITION VALUE In the end of the previous year	1 349
a) Changes of current year	13
Acquisition of assets	13
Transferred and unused assets (-)	
Rewritings from one account into another +/-(-)	
a) ACQUISITION VALUE In the end of the current year	1 362
b) WRITTEN OFF SUMS AND WEAR (-)	1 189
b) WRITTEN OFF SUMS AND WEAR (-) (OrdDep)	
b) WRITTEN OFF SUMS AND WEAR (-) (Imp)	
b) Changes of the current year	94
Increases	94
Restoring entries (-)	
Assets transferred to the third persons	
Written off assets (-)	
Rewritings from on account to another +/-(-)	
Provisions for little used assets +/-(-)	
b) WRITTEN OFF SUMS AND WEAR (-) in the end of the current year	1 282
c) Net book amount	80

**JSC “KLAIPEDOS BALDAI”  
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March 31, 2008**

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**1. General information**

JSC “Klaipėdos baldai” (further – the Company) is registered as a joint-stock company on March 3, 1993. The Company’s registration # AB 93-59. The Company’s office address is:

Joniskės St., 21, LT-91267 Klaipėda  
Lithuania

On March 31, 2008, the Company’s shareholders were:

	<b>Number of shares, pcs.</b>	<b>Share of the share capital, %</b>
JSC “SBA furniture group”	5 708 441	69,90
Hansabank Clients	439 614	5,38
Association Industry and Marketing Business center	262 374	3,21
Virgilijus Rancys	200 000	2,45
“Skandinaviska Enskilda Banken”	295 327	3,62
Other shareholders	1 260 556	15,44
<b>Total</b>	<b>8 166 312</b>	<b>100</b>

The Company’s ordinary registered shares are quoted in the Current list of securities of Vilnius stock exchange.

During the 3 months of the year 2008 average number of the Company’s employees was 626 (in 2007 – 659).

**Information about segments**

From May, 2004, the Company has been carrying on its activity in one business segment – furniture production, and in one geographic segment – in Lithuania. The Company’s basic activity is production of furniture. During the 1<sup>st</sup> quarter of the year 2008 98,6 per cent of all the Company’s sales were done to its affiliated party JSC “SBA baldų kompanija”.

**Sale cost**

	<b>January-March 2008</b>	<b>January-March 2007</b>
Raw materials	33 416	27 031
Salary and social insurance	5 619	5 187
Wear and tear	1 440	1 475
Utilities	861	786
Repairs	127	1151
Other	199	132
	<b>41 662</b>	<b>34 762</b>

**JSC “KLAIPEDOS BALDAI”  
FINANCIAL REPORTING  
March 31, 2008**

(All the sums in the tables are shown in thousands litas, unless specified otherwise)

**Sale and distribution expenditures**

	<b>January-March 2008</b>	<b>January-March 2007</b>
Advertising	-	5
Salary and social insurance of sales personnel	-	-
Other expenditures	-	-
	<u>-</u>	<u>5</u>

**General and administrative expenses**

	<b>January-March 2008</b>	<b>January-March 2007</b>
Salary and social insurance	167	182
Communication and informational technologies expenses	99	86
Taxes, except for profit tax	45	47
Wear and amortization	166	173
Consulting, audit, training, accounting services	97	100
Association fees and decrease of value	89	75
Security expenses	58	44
Writing off of stock and decrease of value	-	-
Materials and operation expenses	13	31
Business travel expenses	3	13
Written off long-term tangible assets	-	-
Other	203	136
	<u>940</u>	<u>887</u>

**Income of another activity**

	<b>January-March 2008</b>	<b>January-March 2007</b>
Rent income	171	143
Income from holiday houses	12	16
Profit from sale of long-term tangible assets	-	2
Other	240	139
	<u>423</u>	<u>300</u>

**Expenditures of another activity**

	<b>January-March 2008</b>	<b>January-March 2007</b>
Expenditures of holiday houses	(143)	(139)
Rent expenditures	(75)	(88)
Other	-	-
	<u>(218)</u>	<u>(227)</u>

**JSC “KLAIPEDOS BALDAI”  
FINANCIAL REPORTING  
March 31, 2008**

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**Income of financial activity**

	<b>January-March 2008</b>	<b>January-March 2007</b>
Income from interest	88	79
Income from dividends	9	-
Other	-	-
	<u>97</u>	<u>79</u>

**Expenditures of financial activity**

	<b>January-March 2008</b>	<b>January-March 2007</b>
Interest expenditures	(404)	(372)
Other	(10)	(12)
	<u>(414)</u>	<u>(384)</u>

**Investments in associated and affiliate companies**

	<b>2008-03-31</b>	<b>2007-12-31</b>
In the beginning of the year	22	22
Contributions of shareholders to cover losses		
Sale of affiliate company – cost		
Minus decrease of value	-	-
Sale of affiliate company – contribution of shareholders to cover losses		
	<u>-</u>	<u>-</u>
	<u>22</u>	<u>22</u>

**To sell owned investments**

	<b>2008-03-31</b>	<b>2007-12-31</b>
In the beginning of the year	288	288
Acquisitions	-	-
Restoration of decrease of value	-	-
Transfers	-	-
	<u>288</u>	<u>288</u>
Balance in the end of the period		
Long-term	288	288
Short-term	-	-
	<u>288</u>	<u>288</u>

**JSC “KLAIPEDOS BALDAI”  
FINANCIAL REPORTING  
March 31, 2008**

(All the sums in the tables are shown in thousands litas, unless specified otherwise)

**Long-term receivable accounts**

	<b>2008-03-31</b>	<b>2007-12-31</b>
Non-current part of loans granted to related parties	1 839	1 839
Loans granted to employees	5	12
Prepayments for property, plant and equipment	203	270
	<u>2 047</u>	<u>2 121</u>

**Stock**

	<b>2008-03-31</b>	<b>2007-12-31</b>
Raw materials	6 054	6 496
Construction in process	2 408	2 693
Produced products and goods meant for resale	4 493	4 142
Reduction in price to the net value of possible realization	(136)	(136)
	<u>12 819</u>	<u>13 195</u>

As of March 31, 2008, the Company has mortgaged stock 12 000 thousand LTL of value in order to guarantee payment of credit.

**Accounts receivable, advanced payments and expenditures of future period**

	<b>2008-03-31</b>	<b>2007-12-31</b>
Receivables from related parties, including current	31 821	28 972
Trade receivables	48	228
Receivable VAT		
Prepaid income tax	24	24
Current portion of loans granted to employees	39	36
Prepayments and deferred charges	121	230
Other receivable accounts	19	19
	<u>32 072</u>	<u>29 509</u>

**Cash and cash equivalents**

	<b>2008-03-31</b>	<b>2007-12-31</b>
Cash at bank	36	38
Cash in hand	11	11
	<u>46</u>	<u>49</u>

**JSC “KLAIPEDOS BALDAI”**  
**FINANCIAL REPORTING**  
**March 31, 2008**

(All the sums in the tables are shown in thousands litas, unless specified otherwise)

**Share capital**

As of March 31, 2008, the share capital consisted of **8 166 312** ordinary registered shares, each of nominal value **1 LTL**. All the shares are fully paid. During the 1<sup>st</sup> quarter of the year 2008 there were no changes of share capital.

**Reserves**

	<b>2008-03-31</b>	<b>2007-12-31</b>
<i>Reserves:</i>		
- reevaluation reserve	11 487	11 789
- reserve presupposed by law	817	817
- other reserves	7 698	7 698
	<u>20 002</u>	<u>20 304</u>

**Borrowings**

	<b>2008-03-31</b>	<b>2007-12-31</b>
<i>Short-term credits</i>		
Short-term loans received from banks	16 821	16 654
Current portion of long-term loans received from banks	2 279	2 279
Finance lease liabilities	1 538	1 285
	<u>20 639</u>	<u>20 218</u>
<i>Long-term borrowings</i>		
Long-term loans received from banks	3 570	4 140
Finance lease liabilities	4 003	2 715
	<u>7 573</u>	<u>6 855</u>
	<u>28 212</u>	<u>27 073</u>

**Total borrowings**

**Trade and other payable sums**

	<b>2008-03-31</b>	<b>2007-12-31</b>
Trade payable sums	1 912	1 036
Sums payable to affiliated parties	779	575
Taxes	776	302
Salary and social insurance payable	1 372	1 445
Sums received in advance	-	-
Vacation reserve	1 783	1 673
Other payable sums and accumulated expenditures	181	131
	<u>6 803</u>	<u>5 162</u>

**JSC “KLAIPEDOS BALDAI”**  
**FINANCIAL REPORTING**  
**March 31, 2008**

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**Related-party transactions**

<i>Sales of goods and services</i>	<b>January-March 2008</b>	<b>January-March 2007</b>
Koncernas SBA UAB	-	-
SBA baldų kompanija UAB	42 470	35 684
Visagino linija UAB	157	107
Klaipėdos baldų prekyba UAB	103	107
Šilutės baldai UAB	139	73
Euromodus UAB	1	1
Akmena UAB	-	50
Germanika UAB	106	45
Kauno baldai AB	2	3
Baldstata UAB	4	4
Karigė AB	-	117
	<hr/> 42 982	<hr/> 36 191
 <i>Interest received</i>		
SBA baldų kompanija UAB	53	50
Klaipėdos baldų prekyba UAB	34	29
	<hr/> 87	<hr/> 79
 <i>Purchases of goods and services</i>		
Koncernas SBA UAB	54	53
SBA baldų kompanija UAB	32 040	25 858
Visagino linija UAB	20	103
Baldstata UAB	111	31
Šilutės baldai AB	33	12
šATRIJA AB	18	40
Karigė AB	15	4
Klaipėdos baldų prekyba UAB	-	-
Kauno baldai AB	3	4
Germanika UAB	5	
Association Industry Marketing and Business Centre	86	70
	<hr/> 32 274	<hr/> 26 175

Related party transactions mostly comprise sales and purchases of furniture and materials.

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**March 31, 2008**

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**Related-party transactions (continued)**

<i>Amounts receivable within one year</i>	<b>2008-03-31</b>	<b>2007-12-31</b>
SBA baldų kompanija UAB	29 705	27 416
Klaipėdos baldų prekyba UAB	949	794
Akmena AB	515	515
Šilutės baldai AB	294	169
Kauno baldai AB	40	42
Baldutura UAB	31	30
Germanika UAB	126	6
Visagino linija UAB	161	-
Karigė AB		-
	<hr/>	<hr/>
	31 821	28 972
	<hr/>	<hr/>
<i>Amounts receivable after one year</i>		
Klaipėdos baldų prekyba UAB	1 839	1 839
	<hr/>	<hr/>
	1 839	1 839
	<hr/>	<hr/>
<i>Amounts payable within one year</i>		
Koncernas SBA UAB	282	219
Association Industry Marketing and Business Centre	395	308
Baldstata UAB	63	48
Šilutės baldai AB		-
Karigė AB	18	-
Utenos trikotažas UAB	21	-
	<hr/>	<hr/>
	779	575
	<hr/>	<hr/>

**Contingent liabilities and commitments**

***Guarantees issued***

The Company has guarantee agreements with the Bank Snoras AB based on which it has issued a guarantee for the amount of all its assets on behalf of Akmena AB and SBA Baldų Kompanija UAB to secure their borrowings from the above-mentioned bank.

The Company's management believe that Akmena AB and SBA Baldų Kompanija UAB will meet their obligations to the banks and other creditors.

Furthermore, the Company has a commitment against SEB Lizingas UAB to repurchase equipment leased by Akmena AB from SEB Lizingas UAB for the amount of EUR 69 thousand in case the lease agreement between SEB Lizingas UAB and Akmena AB is terminated prior to its expiry term.



